

GRANT PARISH POLICE JURY
Colfax, Louisiana

Annual Financial Report
For the year ended December 31, 2002

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1-2
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3-4
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet	5-6
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balance -Budget (GAAP Basis) and Actual – General and Special Revenue Funds	8
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Types.....	9
Combined Statement of Cash Flows - Proprietary Fund Types.....	10
Notes To Financial Statements.....	11-21
SUPPLEMENTAL FINANCIAL INFORMATION	
Special Revenue Funds – Combining Balance Sheet.....	22
Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance	23
Special Revenue Funds – Combining Statement of Expenditures	24
Maintenance Funds – Combining Balance Sheet	25
Maintenance Funds – Combining Statement of Revenues and Expenditures and Changes in Fund Balance.....	26
Capital Projects Funds- Combining Balance Sheet	27
Capital Projects Funds - Combining Statement of Revenues and Expenditures and Changes in Fund Balance.....	28
Schedule of Per Diem Paid to Board Members	29
Schedule of Federal Financial Assistance	30
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	31-32
SCHEDULE OF FINDINGS AND QUESTIONED COST	33
MANAGEMENT'S CORRECTIVE ACTION PLAN.....	34
SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COST	35

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May 20, 2003

INDEPENDENT AUDITORS' REPORT

The Grant Parish Police Jury
Colfax, Louisiana 71417

We have audited the accompanying primary government financial statements of the Grant Parish Police Jury, as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the Grant Parish Police Jury's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Grant Parish Police Jury, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of the component units of the Grant Parish Police Jury, do not purport to, and do not present fairly the financial position of the Grant Parish Police Jury as of December 31, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2003 on our consideration of the Grant Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is

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Grant Parish Police Jury
May 20, 2003

an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Grant Parish Police Jury. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the primary government financial statements of the Grant Parish Police Jury. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, the accompanying supplemental information is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Grant Parish Police Jury
Colfax, Louisiana 71417

We have audited the primary government financial statements of the Grant Parish Police Jury, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 20, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Grant Parish Police Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Grant Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Grant Parish Police Jury
May 20, 2003

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Rozier, Harrington & McKay

ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

GRANT PARISH POLICE JURY

Combined Balance Sheet

All Fund Types and Account Groups

December 31, 2002

	Governmental Funds			Proprietary	Fiduciary	Account Group			
	General Fund	Special	Capital	Funds	Funds	General	General	Long-term	Total
		Revenue	Project	Enterprise	Agency	Fixed		Debt	(Memorandum
		Funds	Funds	Fund	Fund	Assets			Only)
<u>Assets</u>									
Cash and cash equivalents	\$ 10,939	\$ 1,071,906	\$ 48,222	\$ 564,861	\$ 16,836	\$ -	\$ -	\$ -	\$ 1,712,764
Receivables	220,527	813,272	-	68,049	-	-	-	-	1,101,848
Interfund receivables	65,480	67,092	-	-	20,108	-	-	-	152,680
Prepaid expenses	-	-	-	-	-	-	-	-	-
Land, buildings and equipment (net of accumulated depreciation)	-	-	-	617,863	-	4,202,736	-	-	4,820,599
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	376,148	-	376,148
Total assets	\$ 296,946	\$ 1,952,270	\$ 48,222	\$ 1,250,773	\$ 36,944	\$ 4,202,736	\$ 376,148	\$ -	\$ 8,164,039

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY

Combined Balance Sheet

All Fund Types and Account Groups

December 31, 2002

	Governmental Funds				Proprietary Funds		Fiduciary Funds		Account Group			
	General Fund	Special Revenue Funds	Capital Project Funds		Enterprise Fund		Agency Fund		General Fixed Assets	General Long-term Debt	Total (Memorandum Only)	
Liabilities and Fund Equity												
Liabilities:												
Accounts, salaries and other payables	\$ 147,964	\$ 182,879	\$ -		\$ 45,592		\$ -		\$ -	\$ -	\$ 376,435	
Interfund payables	33,233	119,349	98		-		-		-	-	152,680	
Customer deposits	-	-	-		76,276		-		-	-	76,276	
Other liabilities	-	3,918	-		-		36,944		-	-	40,862	
Capital leases	-	-	-		-		-		-	31,931	31,931	
Installment purchase obligations	-	-	-		-		-		-	-	-	
Judgements payable	-	-	-		-		-		-	237,181	237,181	
Compensated absences	-	-	-		5,700		-		-	107,036	112,736	
Total liabilities	181,197	306,146	98		127,568		36,944		-	376,148	1,028,101	
Fund Equity:												
Fund balance	115,749	1,646,124	48,124		-		-		-	-	1,809,997	
Investment in general fixed assets	-	-	-		-		-		4,202,736	-	4,202,736	
Retained earnings	-	-	-		725,906		-		-	-	725,906	
Contributed capital	-	-	-		397,299		-		-	-	397,299	
Total fund equity	115,749	1,646,124	48,124		1,123,205		-		4,202,736	-	7,135,938	
Total liabilities and fund equity	\$ 296,946	\$ 1,952,270	\$ 48,222		\$ 1,250,773		\$ 36,944		\$ 4,202,736	\$ 376,148	\$ 8,164,039	

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY

Combined Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Funds For the Year Ended December 31, 2002

	General Fund	Special Revenue Funds	Capital Project Funds	Total (Memorandum Only)
<u>Revenues:</u>				
Taxes:				
Ad valorem	\$ 136,629	\$ 716,972	\$ -	\$ 853,601
Sales and use	-	739,238	-	739,238
Other taxes	22,278	45,329	-	67,607
Federal grants	45,813	1,678,469	146,018	1,870,300
State funds:				
Parish transportation funds	-	187,895	-	187,895
State revenue sharing	17,544	92,093	-	109,637
Severance taxes	229,983	-	-	229,983
Other state funds	25,000	20,572	-	45,572
Local funds	30,545	283,210	-	313,755
Fees and charges for services	98,024	-	-	98,024
Fines and forfeitures	33,445	78,341	-	111,786
Interest earned	1,412	21,753	706	23,871
Rental of properties	104,399	2,400	-	106,799
Other income	2,869	22,519	-	25,388
Total revenues	<u>747,941</u>	<u>3,888,791</u>	<u>146,724</u>	<u>4,783,456</u>
<u>Expenditures:</u>				
General Government:				
Legislative	157,704	-	-	157,704
Judicial	221,732	166,803	-	388,535
Elections	29,117	-	-	29,117
Finance and administrative	347,759	214,835	46,003	608,597
Other general government	26,910	95,883	-	122,793
Public safety	147,101	-	-	147,101
Public works	-	1,508,823	140,848	1,649,671
Health and welfare	-	1,352,231	-	1,352,231
Culture and recreation	16,931	396,773	-	413,704
Economic development and assistance	7,722	-	-	7,722
Debt service	-	66,939	-	66,939
Capital outlay	-	156,200	-	156,200
Total expenditures	<u>954,976</u>	<u>3,958,487</u>	<u>186,851</u>	<u>5,100,314</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(207,035)</u>	<u>(69,696)</u>	<u>(40,127)</u>	<u>(316,858)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	83,284	57,536	40,220	181,040
Operating transfers out	(57,536)	(123,504)	-	(181,040)
Total other financing sources (uses)	<u>25,748</u>	<u>(65,968)</u>	<u>40,220</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(181,287)</u>	<u>(135,664)</u>	<u>93</u>	<u>(316,858)</u>
Fund balance - beginning of year	<u>297,036</u>	<u>1,781,788</u>	<u>48,031</u>	<u>2,126,855</u>
Fund balance - end of year	<u>\$ 115,749</u>	<u>\$ 1,646,124</u>	<u>\$ 48,124</u>	<u>\$ 1,809,997</u>

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY
Combined Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
General and Special Revenue Funds
For the Year Ended December 31, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>						
Taxes						
Ad valorem	\$ 120,000	\$ 136,629	\$ 16,629	\$ 625,000	\$ 716,972	\$ 91,972
Sales and use	-	-	-	750,000	739,238	(10,762)
Other taxes	20,000	22,278	2,278	40,000	45,329	5,329
Federal grants	50,000	45,813	(4,187)	1,590,000	1,678,469	88,469
State funds:						
Parish transportation funds	-	-	-	195,000	187,895	(7,105)
State revenue sharing	17,000	17,544	544	83,000	92,093	9,093
Severance taxes	265,000	229,983	(35,017)	-	-	-
Other state funds	25,000	25,000	-	-	20,572	20,572
Local funds	30,000	30,545	545	-	283,210	283,210
Fees and charges for services	85,000	98,024	13,024	-	-	-
Fines and forfeitures	30,000	33,445	3,445	70,000	78,341	8,341
Interest earned	-	1,412	1,412	3,000	21,753	18,753
Rental of properties	60,000	104,399	44,399	-	2,400	2,400
Other income	25,000	2,869	(22,131)	296,500	22,519	(273,981)
Total revenues	727,000	747,941	20,941	3,652,500	3,888,791	236,291
<u>Expenditures:</u>						
General Government	800,000	783,222	16,778	423,000	477,521	(54,521)
Public safety	185,000	147,101	37,899	-	-	-
Public works	-	-	-	2,100,000	1,508,823	591,177
Health and welfare	-	-	-	1,660,000	1,352,231	307,769
Culture and recreation	14,000	16,931	(2,931)	500,000	396,773	103,227
Economic development and assistance	10,000	7,722	2,278	-	-	-
Debt service	-	-	-	70,000	66,939	3,061
Capital outlay	-	-	-	-	156,200	(156,200)
Total expenditures	1,009,000	954,976	54,024	4,753,000	3,958,487	794,513
Excess (Deficiency) of Revenue						
Over Expenditures	(282,000)	(207,035)	74,965	(1,100,500)	(69,696)	1,030,804
<u>Other Financing Sources (Uses):</u>						
Operating transfers in	65,000	83,284	18,284	80,000	57,536	(22,464)
Operating transfers out	(80,000)	(57,536)	22,464	(375,000)	(123,504)	251,496
Total other financing						
sources (uses)	(15,000)	25,748	40,748	(295,000)	(65,968)	229,032
Excess (deficiency) of revenues and						
other sources over (under)						
expenditures and other uses	(297,000)	(181,287)	115,713	(1,395,500)	(135,664)	1,259,836
Fund balance - beginning of year	297,036	297,036	-	1,781,788	1,781,788	-
Fund balance - end of year	\$ 36	\$ 115,749	\$ 115,713	\$ 386,288	\$ 1,646,124	\$ 1,259,836

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY
Statement of Revenues, Expenses, and Changes in Retained Earnings
For the Year Ended December 31, 2002

	<u>Proprietary Fund</u>
	<u>Enterprise Fund</u>
<u>Operating Revenues:</u>	
Sales of natural gas	\$ 384,342
Other operating revenue	3,430
Total revenues	<u>387,772</u>
<u>Operating Expenses:</u>	
Purchases of natural gas	171,797
Salaries and wages	102,890
Employee benefits and payroll taxes	33,770
Legal and professional	4,460
Insurance and bonding	6,615
Depreciation	35,006
Repairs and maintenance - distribution system	19,039
Equipment maintenance and rental	12,476
Telephone and utilities	6,620
Office supplies and expense	6,267
Other	5,373
Total expenses	<u>404,313</u>
Operating Income (Loss)	<u>(16,541)</u>
<u>Other Income and Expenses:</u>	
Interest income	8,822
Total other income and expenses	<u>8,822</u>
Net income (loss)	(7,719)
Depreciation on improvements financed with contributed capital	<u>11,929</u>
Increase (decrease) in retained earnings	<u>4,210</u>
Retained earnings (deficit) - beginning of year	<u>721,696</u>
Retained earnings (deficit) - end of year	<u>\$ 725,906</u>

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY

Statement of Cash Flows For the Year Ended December 31, 2002

	<u>Proprietary Fund</u> <u>Enterprise Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Operating income (loss)	\$ (16,541)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	35,006
(Increase) decrease in operating receivables	(28,542)
(Increase) decrease in prepaid expenses	5,500
Increase (decrease) in accounts payable	5,691
Increase (decrease) in other liabilities	(145)
Increase (decrease) in customer deposits	(384)
	<hr/>
Net cash provided (used) by operating activities	<hr/> 585
<u>FINANCING ACTIVITIES:</u>	
Cash payments for property and equipment	<hr/> -
	<hr/>
Net cash provided (used) by capital and related financing activities	<hr/> -
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest receipts	<hr/> 8,822
	<hr/>
Net cash provided by investing activities	<hr/> 8,822
	<hr/>
Net increase (decrease) in cash	9,407
	<hr/>
Beginning cash balance	<hr/> 555,454
	<hr/>
Ending cash balance	<hr/> \$ 564,861

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

For the year ended December 31, 2002 there were no investing, capital or financing activities that did not result in cash receipts or payments.

The accompanying notes are an integral part of the financial statements.

GRANT PARISH POLICE JURY

Notes to Financial Statements

NOTE 1 –INTRODUCTION AND SIGNIFICANT ACCOUNTING POLICIES:

The Grant Parish Police Jury is the governing authority for Grant Parish and is a political subdivision of the State of Louisiana. The Police Jury is governed by eight jurors representing the various districts within the parish. The jurors serve four-year terms which expire on January 1, 2004.

State Law gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of these are the powers to pass regulations affecting parish government; to regulate the construction and maintenance of roads, bridges and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided primarily by ad valorem taxes, sales and use taxes, state revenue sharing, various state and federal grants, and interest earnings.

Reporting Entity

As the governing authority of the parish, for reporting purposes, the Grant Parish Police Jury is the financial reporting entity for Grant Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements are not intended to present financial position, results of operation and proprietary fund cash flows for the reporting entity as a whole. Data of component units that are financially accountable to the Police Jury has been excluded from the financial statements. Due to the absence of component unit data, the financial statements do not address the entire reporting entity.

The accompanying financial statements present data that is limited to the primary government. All funds, organizations, institutions, agencies, departments, and offices that are managed by the Grant Parish Police Jury are included in the primary government.

Fund Accounting

The accounts of the Police Jury are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Police Jury:

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Police Jury. It is used to account for all financial resources except those required to be accounted for in another fund.

GRANT PARISH POLICE JURY

Notes to Financial Statements

Special Revenue Funds – Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds

Agency Funds – Account for assets that are held on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Police Jury other than those accounted for in the proprietary fund.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Police Jury not accounted for in the proprietary fund.

Basis Of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Typically amounts that are expected to be collected within 60 days are amounts that are due under cost reimbursement arrangements are considered to be available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

GRANT PARISH POLICE JURY

Notes to Financial Statements

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to these similarities, proprietary funds are allowed to follow certain pronouncement that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Police Jury only applies those FASB pronouncements that were issued on or before November 30, 1989.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered and reimbursements of expenditures. Outstanding receivables and payables resulting from the previously described transactions at the end of each year are classified as interfund receivables/payables on the balance sheets of funds involved in these transactions. Outstanding short-term interfund loans at the end of each year are also classified as interfund receivables/payables on the balance sheets of the funds involved in these transactions.

Advances to Other Funds

Long-term interfund loan receivables are recorded as advances from other funds and are offset in equal amounts by fund balance reserve accounts. This indicates that long-term interfund loan receivables do not constitute available expendable financial resources and consequently are not available for appropriation.

Prepaid Items

Prepaid items are charged against expenditures when the related fund liability is incurred.

Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the Police Jury does not capitalize infrastructures, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets. General fixed assets are reported at historical cost, including any interest incurred during construction. Whenever the actual historical cost has been unavailable, it has been estimated based on replacement cost, assessed valuations or inquiry of knowledgeable individuals. A substantial portion of the investment in general fixed assets has been estimated.

Property and equipment used in the proprietary fund operations is recorded at cost, including any interest incurred during construction, or estimated historical cost including interest incurred during construction. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

GRANT PARISH POLICE JURY

Notes to Financial Statements

Compensated Absences

Full time employees earn at least 10 days of annual leave on a yearly basis. In addition, employees may earn as much as 20 days of annual leave on a yearly basis depending on length of service. Furthermore, employees may accumulate as much as 20 days in annual leave that is payable upon termination.

The cost of current leave privileges is recognized as a current-year expenditure in the related governmental fund types when leave is actually taken. The cost of leave privileges not requiring current resources is reported as long-term debt.

Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets.

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Budget Practices

Budgets, including any amendments, are prepared in the manner prescribed by Louisiana revised statutes. Police Jury budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. Furthermore, the budgets are amended as necessary in the manner prescribed by Louisiana revised statutes.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

GRANT PARISH POLICE JURY

Notes to Financial Statements

Statement Of Cash Flows

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Total Columns On Combined Statements

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 – TAXES:

Ad Valorem Taxes:

Ad valorem taxes are billed by the Grant Parish Assessor and collected for the Police Jury by the Grant Parish Sheriff's Office. The following is a summary of adjusted authorized and levied ad valorem tax millages for the year ended December 31, 2002:

	Adjusted Authorized <u>Millage</u>	Levied <u>Millage</u>	<u>Expiration</u> <u>Date</u>
General Alimony	4.74	4.74	None
Parish Road Maintenance	8.61	8.61	2007
Courthouse and Jail Maintenance	3.22	3.22	2007
Library Maintenance	10.90	10.90	2009
Health Unit Maintenance	2.15	2.15	2007

Sales and Use Tax

On September 29, 1984, voters of the parish approved a one per cent sales and use tax with no expiration date, which is dedicated to paying the cost of constructing, acquiring, improving, maintaining, and operating solid waste collection and disposal facilities for the parish, including the cost of enforcing litter laws and the payment of the cost of closing garbage dumps owned or operated by the parish at the time the sales and use tax proposition was passed. In addition, proceeds from the sales and use tax can be used to fund bonds to pay related capital costs. Sales taxes are collected on behalf of the Policy Jury by the Grant Parish Sheriff's Office.

GRANT PARISH POLICE JURY

Notes to Financial Statements

NOTE 3 -CASH AND CASH EQUIVALENTS:

Deposits are stated at cost, which approximates market value. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2002, the Police Jury has \$1,893,209 in deposits (collected bank balance). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$2,158,599 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 – RECEIVABLES:

The following is a summary of receivables at December 31, 2002:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
<u>Accounts Receivable</u>				
Utility Accounts	\$ ----	\$ ----	\$ 68,049	\$ 68,049
Other	26,078	5,907	----	31,985
<u>Total Accounts Receivable</u>	<u>26,078</u>	<u>5,907</u>	<u>68,049</u>	<u>\$ 100,034</u>
<u>Due From Other Governmental Units</u>				
Ad Valorem Taxes	121,989	642,795	----	764,784
Sales Taxes	----	44,686	----	44,686
State of Louisiana	72,460	119,884	----	192,344
<u>Total Due From Other Governments</u>	<u>194,449</u>	<u>807,365</u>	<u>----</u>	<u>1,001,814</u>
<u>Total Receivables</u>	<u>\$ 220,527</u>	<u>\$ 813,272</u>	<u>\$ 68,049</u>	<u>\$ 1,101,848</u>

Management considers the amounts listed above to be fully collectible. There is no allowance for doubtful accounts.

NOTE 5 – INTERFUND BALANCES:

Amounts receivable and payable among the Police Jury's various funds are summarized as follows:

GRANT PARISH POLICE JURY

Notes to Financial Statements

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 65,480	\$ 33,233
Parish Road Maintenance Fund	315	96,614
Sanitary Landfill Maintenance Fund	53,652	5,586
Courthouse and Jail Maintenance Fund	----	16,674
Health Unit Maintenance Fund	----	160
Library Maintenance Fund	----	315
Community Development Block Grant Fund	----	98
Payroll Agency fund	20,108	----
Hazard Mitigation Fund	13,125	----
	<u>\$ 152,680</u>	<u>\$ 152,680</u>

NOTE 6 - GENERAL LONG TERM DEBT:

Debt attributable to the acquisition of the Police Jury's utility system and the operation of the utility system is reported as an obligation of the Police Jury's proprietary (enterprise) funds. Remaining debts are reported in the general long-term debt account group. The Police's debts are summarized as follows:

	<u>Proprietary Fund Obligations</u>	<u>General Long-term Debt</u>	<u>Total</u>
Capital Leases	\$ ----	\$ 31,931	\$ 31,931
Judgements Payable	----	237,181	237,181
Compensated Absences	5,700	107,036	112,736
	<u>\$ 5,700</u>	<u>\$ 376,148</u>	<u>\$ 381,848</u>

Changes in the Police Jury's general long-term debt for the year ended December 31, 2002 are presented as follows:

	<u>Beginning Balance</u>	<u>Debt Issued</u>	<u>Debt Retired</u>	<u>Ending Balance</u>
Capital Leases	\$ 95,799	\$ ----	\$ 63,868	\$ 31,931
Installment Purchase Obligations	957	----	957	----
Judgements Payable	237,181	----	----	237,181
Compensated Absences	103,081	3,955	----	107,036
	<u>\$ 437,018</u>	<u>\$ 3,955</u>	<u>\$ 64,825</u>	<u>\$ 376,148</u>

GRANT PARISH POLICE JURY

Notes to Financial Statements

Capital Leases

The Police Jury has acquired equipment by entering into capital leasing arrangements. For financial reporting purposes, minimum lease payments relating to leased equipment have been capitalized. The leased property is reported by the general fixed assets account group at its original cost. Capital lease obligations outstanding at December 31, 2002 are described as follows:

Lease agreement dated October, 1997 executed in exchange for wheel loader, with an original balance of \$87,980, bearing interest at a rate of 6.0%, payable in 72 monthly installments of \$1,222.	\$ 10,769
Lease agreement dated February, 1998 executed in exchange for a backhoe loader, with an original balance of \$52,539, bearing interest at a rate of 6.75%, payable in 60 monthly installments of \$1,028.	1,028
Lease agreement dated July, 1999 executed in exchange for a backhoe loader, with an original balance of \$61,022, bearing interest at a rate of 6.25%, payable in 60 monthly installments of \$1,175.	20,134
<u>Total</u>	<u>\$ 31,931</u>

Future minimum lease payments due under capital lease arrangements are presented as follows:

<u>Year Ended December 31st</u>	
2003	\$ 26,121
2004	7,048
Total minimum lease payments	33,169
Amounts representing interest	(1,238)
<u>Present value of minimum lease payments</u>	<u>\$ 31,931</u>

Judgements Payable

At December 31, 2002, three judgments totaling \$237,181 have been rendered against the Police Jury. These judgments are final and irreversible. Judgments payable do not include deposition costs, expert witness fees, court costs or legal interest from date of judicial demand, which were also assessed.

The Police Jury did not have general liability insurance to cover the amounts of judgments awarded to plaintiffs in lawsuits brought against the Police Jury. Consequently, the \$237,181 in judgments payable at December 31, 2002, plus all related costs and interest from date of judicial demand are the Police Jury's sole responsibility.

Compensated Absences

Compensated absences refers to the Policy Jury's obligation to provided vested accrued leave benefits that have been earned by its employees.

GRANT PARISH POLICE JURY

Notes to Financial Statements

NOTE 7 - PENSION PLAN:

Substantially all employees not covered by other plans are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All of the Police Jury's participating employees are members of Plan A.

All permanent employees working at least 28 hours per week and who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to three per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of the final-average salary, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980, plus three per cent of final average salary for each year of service credited after the revision date. Final-average salary is the employees' average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and who do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information on the System. This report may be obtained by contacting the Parochial Employee's Retirement System at Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or at (225) 928-1361.

Employees are required to contribute 9.5 percent of their salaries to the System. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In addition, contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan.

NOTE 8 - PROPERTY AND EQUIPMENT:

Changes in general fixed assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land, Buildings & Improvements	\$ 2,410,224	\$ ----	\$ ----	\$ 2,410,224
Furniture, Fixtures and Equipment	1,636,312	156,200	----	1,792,512
Total General Fixed Assets	\$ 4,046,536	\$ 156,200	\$ ----	\$ 4,202,736

GRANT PARISH POLICE JURY

Notes to Financial Statements

A summary of the property and equipment reported by the proprietary (enterprise) fund at December 31, 2002 consists of the following:

Utility System	\$ 1,245,901
Equipment	102,952
<hr/>	
Total	1,348,853
Less Accumulated Depreciation	(730,990)
<hr/>	
Net Property and Equipment	\$ 617,863

NOTE 9 - CONTINGENCIES:

Existing conditions that may have financial consequences in the future are referred to as contingencies. Contingencies existing at December 31, 2002 are described as follows:

Litigation

As the governing authority for Grant Parish, the Police Jury has numerous responsibilities. These responsibilities include maintaining roads and other public facilities as well as disposing of solid waste on a Parishwide basis. Due to the extensive nature of the Police Jury's responsibilities, it is sometimes the target of litigation.

A variety of lawsuits involving the Police Jury are currently pending; however, due to an absence of recent activity, at least some of these cases appear to be dormant. An estimate of potential losses from litigation is not currently available and no provision for losses of this nature is included in the accompanying financial statements. In addition, there is no general liability insurance to offset judgments that might arise from lawsuits currently pending.

Parish Boundary:

The litigation discussed above includes a matter involving the boundary between Grant and Rapides Parishes. The litigation is intended to resolve uncertainty regarding the location of the parish boundary. The Grant Parish Police Jury is responsible for paying the attorney's fees and court cost that will be incurred by the Parish in connection with this matter; however, these cost cannot presently be estimated. Furthermore, resolving this issue could have a significant effect on Grant Parish's tax base but the amount of any reduction or increase in the tax base cannot presently be predicted.

NOTE 10 - RISK MANAGEMENT:

The Police Jury is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Police Jury has not maintained general liability coverage to insure against torts; however, no liability has resulted from these uninsured risks during the past three years. Judgements resulting from these uninsured risks are reported in the general long-term debt account group when it is probable that a loss has occurred and

GRANT PARISH POLICE JURY

Notes to Financial Statements

the amount can be reasonably estimated. Judgements currently payable attributable to the uninsured risk total \$237,181.

The Police Jury insures against the remaining risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 11 – POST RETIREMENT BENEFITS:

Employee benefits offered by the Police Jury include paying a portion of the health insurance premiums for retired employees. Expenditures associated with providing post retirement health insurance benefits are recorded when premiums become due. A total of two retirees have elected to participate in the post retirement insurance program and the cost of providing benefits during the year ended December 31, 2002 was approximately \$11,294.

NOTE 12 – CONTRIBUTED CAPITAL:

The Police Jury's enterprise fund has received contributed capital from a variety of grantors. Contributed capital and changes in contributed capital for the enterprise fund is presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Contributions	\$ 596,486	\$ ----	\$ ----	\$ 596,486
Accumulated Amortization	(187,258)	(11,929)	----	(199,187)
<u>Contributed Capital</u>	<u>\$ 409,228</u>	<u>\$ (11,929)</u>	<u>\$ ----</u>	<u>\$ 397,299</u>

NOTE 13 – BUDGET VARIANCES:

During the year ended December 31, 2002, two of the Police Jury's special revenue funds experienced unfavorable budget variances. The unfavorable variances are described as follows:

<u>Fund</u>	<u>Variance</u>
Hazard Mitigation Fund	Actual expenses exceeded budgeted expenses by \$15,000, 100.0%

The budget variances described above are not expected to materially effect the Police Jury financial position or results of operations.

GRANT PARISH POLICE JURY

Combining Balance Sheet

Special Revenue Funds

December 31, 2002

	Maintenance Funds	Head Start	Child Nutrition Program	Economic Development	Criminal Court	Insurance Premium Tax	Supoena Witness	USDA Title III	Hazard Mitigation	Total
Assets										
Cash and cash equivalents	\$ 714,050	\$ 7,337	\$ 36,006	\$ 208,916	\$ 4,841	\$ 97,812	\$ 2,944	\$ -	\$ -	\$ 1,071,906
Receivables	808,989	-	-	-	4,283	-	-	-	-	813,272
Interfund receivables	53,967	-	-	-	-	-	-	-	13,125	67,092
Total assets	\$ 1,577,006	\$ 7,337	\$ 36,006	\$ 208,916	\$ 9,124	\$ 97,812	\$ 2,944	\$ -	\$ 13,125	\$ 1,952,270
Liabilities and Fund Equity										
Liabilities:										
Accounts, salaries and other payables	\$ 172,761	\$ 3,419	\$ 4,866	\$ -	\$ 1,614	\$ -	\$ 219	\$ -	\$ -	\$ 182,879
Deferred revenue	-	3,918	-	-	-	-	-	-	-	3,918
Interfund payables	119,349	-	-	-	-	-	-	-	-	119,349
Total liabilities	292,110	7,337	4,866	-	1,614	-	219	-	-	306,146
Fund Equity:										
Fund balance	1,284,896	-	31,140	208,916	7,510	97,812	2,725	-	13,125	1,646,124
Total liabilities and fund equity	\$ 1,577,006	\$ 7,337	\$ 36,006	\$ 208,916	\$ 9,124	\$ 97,812	\$ 2,944	\$ -	\$ 13,125	\$ 1,952,270

GRANT PARISH POLICE JURY

Combining Statement of Revenue, Expenditures and Changes in Fund Balance

Special Revenue Funds

December 31, 2002

	Maintenance Funds	Head Start	Child Nutrition Program	Economic Development	Criminal Court	Insurance Premium Tax	Supocena Witness	USDA Title III	Hazard Mitigation	Total
Revenues:										
Taxes:										
Ad valorem	\$ 716,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 716,972
Sales and use	739,238	-	-	-	-	-	-	-	-	739,238
Other taxes	-	-	-	-	-	45,329	-	-	-	45,329
Federal grants	415,277	1,078,083	83,700	-	-	-	-	73,284	28,125	1,678,469
State funds:										
Parish transportation funds	187,895	-	-	-	-	-	-	-	-	187,895
State revenue sharing	92,093	-	-	-	-	-	-	-	-	92,093
Other state funds	20,572	-	-	-	-	-	-	-	-	20,572
Local funds	-	252,851	-	-	30,359	-	-	-	-	283,210
Fines and forfeitures	-	-	-	-	78,341	-	-	-	-	78,341
Interest earned	15,581	-	-	4,752	71	1,306	43	-	-	21,753
Rental of properties	2,400	-	-	-	-	-	-	-	-	2,400
Other income	14,486	5,855	732	-	-	-	1,446	-	-	22,519
Total revenues	2,204,514	1,336,789	84,432	4,752	108,771	46,635	1,489	73,284	28,125	3,888,791
Expenditures	2,386,603	1,336,789	53,292	-	165,242	-	1,561	-	15,000	3,958,487
Excess (deficiency) of revenues over expenditures	(182,089)	-	31,140	4,752	(56,471)	46,635	(72)	73,284	13,125	(69,696)
Other Financing Sources (Uses):										
Operating transfers in	-	-	-	-	57,536	-	-	-	-	57,536
Operating transfers out	-	-	-	(40,220)	-	(10,000)	-	(73,284)	-	(123,504)
Total other financing sources (uses)	-	-	-	(40,220)	57,536	(10,000)	-	(73,284)	-	(65,968)
Excess (deficiency) of revenues and other resources over (under) expenditures and other uses	(182,089)	-	31,140	(35,468)	1,065	36,635	(72)	-	13,125	(135,664)
Fund balance - beginning of year	1,466,985	-	-	244,384	6,445	61,177	2,797	-	-	1,781,788
Fund balance - end of year	\$ 1,284,896	\$ -	\$ 31,140	\$ 208,916	\$ 7,510	\$ 97,812	\$ 2,725	\$ -	\$ 13,125	\$ 1,646,124

GRANT PARISH POLICE JURY

Combining Statement of Expenditures

Special Revenue Funds

December 31, 2002

	Maintenance Funds	Head Start	Child Nutrition Program	Economic Development	Criminal Court	Insurance Premium Tax	Supoena Witness	USDA Title III	Hazard Mitigation	Total
General Government:										
Judicial	\$ -	\$ -	-	\$ -	\$ 165,242	\$ -	\$ 1,561	\$ -	\$ -	\$ 166,803
Finance and administrative	109,876	89,321	638	-	-	-	-	-	15,000	214,835
Other general government	95,883	-	-	-	-	-	-	-	-	95,883
Public works	1,508,823	-	-	-	-	-	-	-	-	1,508,823
Health and welfare	52,109	1,247,468	52,654	-	-	-	-	-	-	1,352,231
Culture and recreation	396,773	-	-	-	-	-	-	-	-	396,773
Debt service	66,939	-	-	-	-	-	-	-	-	66,939
Capital outlay	156,200	-	-	-	-	-	-	-	-	156,200
	<u>\$ 2,386,603</u>	<u>\$ 1,336,789</u>	<u>\$ 53,292</u>	<u>\$ -</u>	<u>\$ 165,242</u>	<u>\$ -</u>	<u>\$ 1,561</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 3,958,487</u>
Total expenditures										

GRANT PARISH POLICE JURY

Combining Balance Sheet Maintenance Funds (Special Revenue) December 31, 2002

	Parish Road Maintenance	Sanitary Landfill Maintenance	Courthouse and Jail Maintenance	Library Maintenance	Health Unit Maintenance	Medical Clinic Maintenance	Total
\$	119,227	\$ 253,388	\$ 1,960	\$ 27,526	\$ 287,654	\$ 24,295	\$ 714,050
	283,676	46,309	94,804	320,903	63,297	-	808,989
	315	53,652	-	-	-	-	53,967
\$	403,218	\$ 353,349	\$ 96,764	\$ 348,429	\$ 350,951	\$ 24,295	\$ 1,577,006

Assets

Cash and cash equivalents
Receivables
Interfund receivables

Total assets

Liabilities and Fund Equity

Liabilities:

Accounts, salaries and other payables
Interfund payables

Total liabilities

Fund Equity:

Fund balance

Total liabilities and fund equity

\$	68,698	\$ 39,791	\$ 21,818	\$ 39,647	\$ 953	\$ 1,854	\$ 172,761
	96,614	5,586	16,674	315	160	-	119,349
	165,312	45,377	38,492	39,962	1,113	1,854	292,110
	237,906	307,972	58,272	308,467	349,838	22,441	1,284,896
\$	403,218	\$ 353,349	\$ 96,764	\$ 348,429	\$ 350,951	\$ 24,295	\$ 1,577,006

GRANT PARISH POLICE JURY

Combining Statement of Revenue, Expenditures and Changes in Fund Balance

Maintenance Funds (Special Revenue)

December 31, 2002

	Parish Road Maintenance	Sanitary Landfill Maintenance	Courthouse and Jail Maintenance	Library Maintenance	Health Unit Maintenance	Medical Clinic Maintenance	Total
Revenues:							
Taxes:							
Ad valorem	\$ 248,115	\$ -	\$ 92,795	\$ 314,106	\$ 61,956	\$ -	\$ 716,972
Sales and use	-	739,238	-	-	-	-	739,238
Federal grants	415,277	-	-	-	-	-	415,277
State funds:							
Parish transportation funds	187,895	-	-	-	-	-	187,895
State revenue sharing	31,870	-	11,918	40,346	7,959	-	92,093
Other state funds	-	-	-	20,572	-	-	20,572
Interest earned	5,037	4,550	348	1,878	3,266	502	15,581
Rental of properties	-	-	-	-	2,400	-	2,400
Other income	-	3,246	-	11,240	-	-	14,486
Total revenues	888,194	747,034	105,061	388,142	75,581	502	2,204,514
Expenditures							
General Government:							
Finance and administrative	53,947	43,453	6,754	1,016	4,706	-	109,876
Other general government	-	-	95,883	-	-	-	95,883
Public works	803,722	705,101	-	-	-	-	1,508,823
Health and welfare	-	-	-	-	34,646	17,463	52,109
Culture and recreation	-	-	-	396,773	-	-	396,773
Debt service	52,843	14,096	-	-	-	-	66,939
Capital outlay	-	156,200	-	-	-	-	156,200
Total expenditures	910,512	918,850	102,637	397,789	39,352	17,463	2,386,603
Excess (deficiency) of revenues over expenditures	(22,318)	(171,816)	2,424	(9,647)	36,229	(16,961)	(182,089)
Other Financing Sources (Uses):							
Operating transfers in	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other resources over (under) expenditures and other uses	(22,318)	(171,816)	2,424	(9,647)	36,229	(16,961)	(182,089)
Fund balance - beginning of year	260,224	479,788	55,848	318,114	313,609	39,402	1,466,985
Fund balance - end of year	\$ 237,906	\$ 307,972	\$ 58,272	\$ 308,467	\$ 349,838	\$ 22,441	\$ 1,284,896

GRANT PARISH POLICE JURY

Combining Balance Sheet

Capital Project Funds

December 31, 2002

	Medical Clinic	Willett Loop Water System Improvements	LCDBG Water System Improvements	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 48,215	\$ 7	\$ -	\$ 48,222
Total assets	\$ 48,215	\$ 7	\$ -	\$ 48,222
<u>Liabilities and Fund Equity</u>				
<u>Liabilities:</u>				
Accounts, salaries and other payables	\$ -	\$ -	\$ -	\$ -
Interfund payables	-	-	98	98
Total liabilities	-	-	98	98
<u>Fund Equity:</u>				
Fund balance	48,215	7	(98)	48,124
Total liabilities and fund equity	\$ 48,215	\$ 7	\$ -	\$ 48,222

GRANT PARISH POLICE JURY
Combining Statement of Revenue,
Expenditures and Changes in Fund Balance
Capital Project Funds
For the Year Ended December 31, 2002

	Medical Clinic	Willet Loop Water System Improvements	LCDBG Water System Improvements	Total
<u>Revenues:</u>				
Federal grants	\$ -	\$ -	\$ 146,018	\$ 146,018
Interest earned	<u>706</u>	<u>-</u>	<u>-</u>	<u>706</u>
Total revenues	<u>706</u>	<u>-</u>	<u>146,018</u>	<u>146,724</u>
<u>Expenditures</u>				
General Government:				
Finance and administrative	597	21,156	24,250	46,003
Public works	<u>-</u>	<u>19,080</u>	<u>121,768</u>	<u>140,848</u>
Total expenditures	<u>597</u>	<u>40,236</u>	<u>146,018</u>	<u>186,851</u>
Excess (deficiency) of revenues over expenditures	109	(40,236)	-	(40,127)
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	<u>-</u>	<u>40,220</u>	<u>-</u>	<u>40,220</u>
Excess (deficiency) of revenues and other resources over (under) expenditures and other uses	109	(16)	-	93
Fund balance - beginning of year	<u>48,106</u>	<u>23</u>	<u>(98)</u>	<u>48,031</u>
Fund balance - end of year	<u>\$ 48,215</u>	<u>\$ 7</u>	<u>\$ (98)</u>	<u>\$ 48,124</u>

Grant Parish Police Jury

Schedule of Compensation Paid to Police Jurors
For the year ended December 31, 2002

M. E. Allen	14,400
Donnie Brown	14,400
Michael L. Brown	8,640
Bobby J. Chelette	14,400
Marvin P. Delong	14,400
Tom Hamilton	14,400
W. C. Hollaway	14,400
Julius F. Scott	14,400
	<hr/>
Total	<u>109,440</u>

Grant Parish Police Jury

Schedule of Expenditure of Federal Financial Awards For the year ended December 31, 2002

<u>FEDERAL GRANTOR / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
UNITED STATES DEPARTMENT OF AGRICULTURE		
Pass-through State of Louisiana, Department of the Treasury		
Child Nutrition Program	10.558	\$ 53,292
Schools and Roads	10.666	<u>488,561</u>
 Total United States Department of Agriculture		 541,853
 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Pass-through State of Louisiana, Division of Administration		
Community Development Block Grant	14.228	146,018
 UNITED STATES DEPARTMENT OF THE INTERIOR		
Direct Program - Payment in Lieu of Taxes	15.226	22,945
 FEDERAL EMERGENCY MANAGEMENT AGENCY		
Passed through Louisiana Department of the Treasury		
Emergency Management Assistance	83.534	37,868
 UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Program - Head Start Program	93.600	<u>1,078,083</u>
 Total Expenditure of Federal Awards		 <u>\$ 1,826,767</u>

Note

The schedule of expenditures of federal awards was prepared in conformity with generally accepted accounting principles for Governmental Units. See notes to the accompanying financial statements for further details.

ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

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May 20, 2003

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Grant Parish Police Jury
Colfax, Louisiana 71417

COMPLIANCE

We have audited the compliance of the Grant Parish Police Jury with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The Grant Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Grant Parish Police Jury's management. Our responsibility is to express an opinion on the Grant Parish Police Jury's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Grant Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Grant Parish Police Jury's compliance with those requirements.

In our opinion, the Grant Parish Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

INTERNAL CONTROL OVER COMPLIANCE

The management of the Grant Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Grant Parish Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

GRANT PARISH POLICE JURY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2002

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the primary government financial statements for the Grant Parish Police Jury as of December 31, 2002 and for the year then ended expressed an unqualified opinion, on the primary government's financial statements.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the primary government financial statements of the Grant Parish Police Jury.
- The Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 expressed an unqualified opinion on compliance requirements for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost.
- Major programs for the year ended December 31, 2002 are presented as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE (Passed Through State of Louisiana)
CFDA No. 10.666 - National Forest Receipts
CFDA No. 93.600 – Head Start Program

- A threshold of \$300,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The Grant Parish Police Jury was not considered to be a low risk auditee as defined by OMB Circular A-133.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- None.

GRANT PARISH POLICE JURY

Management's Corrective Plan For the Year Ended December 31, 2002

<u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<u>SECTION III</u> MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A

GRANT PARISH POLICE JURY
Summary of Prior Year Findings and Questioned Cost
For the Year Ended December 31, 2002

<u>SECTION I</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<u>SECTION II</u> INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<u>SECTION III</u> MANAGEMENT LETTER	
<p><u>Custody of Public Records:</u> It has been the Police Jury's practice to allow a part-time employee to work from his personal residence. Furthermore, the part-time employee was also allowed to remove a large volume of documents from the Police Jury's premises for use in performing duties at his residence. As a result, public record were absent from the Police Jury's custody for an extended period of time.</p> <p>State law requires the Police Jury to exercise due diligence and care in preserving public records. Accordingly, we recommend storing all original documents in a secure location within the Police Jury's administrative facilities. Anyone needing records in a remote location should be furnished photocopies.</p>	<p><u>Resolved:</u> The employment arrangement that allowed public documents to be removed from the Police Jury's premise was terminated on March 26, 2002. At the present time, all of the Police Jury's public records are securely stored in the Parish Courthouse.</p>